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*Local Counsel for Pocahontas Land Corporation*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

In re:	:	
	:	Chapter 11
PATRIOT COAL CORPORATION, <i>et al.</i>	:	
	:	Case No. 15-32450 (KLP)
Debtors.	:	
	:	(Jointly Administered)
	:	

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF POCAHONTAS LAND CORPORATION REGARDING DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE SALE OF ASSETS PURSUANT TO THE BIDDING PROCEDURES, (B) AUTHORIZING THE SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS, AND (D) GRANTING RELATED RELIEF**

Pocahontas Land Corporation ("PLC"), by and through its undersigned counsel, hereby objects (the "Limited Objection") to the *Debtors' Motion for Entry of an Order (A) Approving the Sale of Assets Pursuant to the Bidding Procedures, (B) Authorizing the Sale of Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [D.I. 200] (the "Sale Motion") and, in particular, the cure amounts set forth on the *Notice of Proposed Assumption and Assignment of Certain Executory Contracts and Unexpired Leases* received by PLC's counsel via email on or

about July 28, 2015 (the “Cure Notice”). In support of the Limited Objection, PLC respectfully states as follows:

1. PLC is a counterparty to Debtor, Eastern Royalty, LLC, under the various leases identified in the Cure Notice (the “PLC Leases”). The Cure Notice proposes an aggregate cure amount of \$198,770.20 in connection with the PLC Leases (each such listed amount, the “Proposed Cure Amount,” and collectively the “Proposed Cure Amounts”).

2. Based on information currently available to it, PLC agrees that the Proposed Cure Amounts as of the date of the filing of this Limited Objection are the proper cure amounts for each PLC Lease. Nevertheless, additional cure amounts may continue to accrue under the PLC Leases if such amounts are not paid by the Debtors going forward, and PLC reserves the right to assert these additional cure amounts through the date the PLC Leases are ultimately assumed by the Debtors and assigned to a purchaser of the Debtors’ assets.

3. Further, and for the avoidance of doubt, PLC submits that in addition to the payment of the Proposed Cure Amounts, any assumption of the PLC Leases must also include the assumption of all contingent, unmatured and/or unliquidated obligations under the PLC Leases, including, specifically, and without limitation, any indemnification obligations. Whether this objection is properly classified as a cure obligation or an objection to the adequate assurance of future performance requirement required under section 365(b)(1)(C), this issue must be resolved in connection with any assumption of the PLC Leases. Although PLC submits that assumption of the PLC Leases necessarily (and automatically by operation of law) includes the assumption of all these obligations, PLC reserves the right to supplement this Limited Objection in the event that an agreement cannot be reached with the Debtors and/or any purchaser of the Debtors’ assets regarding the assumption and/or assignment of the PLC Leases.

WHEREFORE, PLC requests that the Court enter an order (i) conditioning the assumption and/or assignment of the PLC Leases on the payment of the Proposed Cure Amounts plus any other outstanding obligations incurred by the Debtors through the date of assumption, unless otherwise agreed to by PLC; (ii) clarifying that the assumption of the PLC Leases includes the assumption of all contingent, unmatured and/or unliquidated obligations under the PLC Leases; and (iii) granting such other and further relief as the Court deems just and proper.

Dated: August 10, 2015

**SETLIFF & HOLLAND, P.C.**

/s/ Ryan Furgurson

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*Attorneys for Pocahontas Land Corporation*

**CERTIFICATE OF SERVICE**

I hereby certify that on August 10, 2015, I filed the foregoing Limited Objection using the Court's ECF system, and caused a true and correct copy of the same to be served on the "2002 List" pursuant to the Court's Order Establishing Certain Notice, Case Management, and Administrative Procedures (dkt. 79).

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